

PRESS RELEASE – 5 March 2024

PROOF OF LIFE IN THE US OUTSIDE THE MAGNIFICENT SEVEN: COMGEST GROWTH AMERICA FUND HITS \$1BN AUM

Comgest, the global equity asset manager focused on long-term quality growth, is celebrating its Comgest Growth America fund passing the USD 1bn AUM milestone. This comes on the back of strong performance of the fund which has outperformed the S&P 500 while also enjoying lower volatility than the index¹.

The fund is a concentrated portfolio of just 30 stocks vs the 502 companies in the index. It has provided an annualised net return of 14.1% compared to the index's 12.6% (USD I Acc share class).² The fund also ranks in the top 3% of funds in its Morningstar category in terms of risk-adjusted return since February 2013³.

In addition, the lion's share of the fund's outperformance is not due to the so-called Magnificent Seven. Although Comgest does own five of the seven – Microsoft (the largest holding in the fund), Apple, Alphabet, Meta and Amazon – over the past 3 years contributions from other holdings such as Oracle and Eli Lilly have proved to be more important, with other strong contributors including Intuit, Costco and Avery Dennison.

The Paris-based investment team has a philosophy to only invest in those quality companies that they believe can deliver earnings growth in excess of 10% per annum. This is based on the conviction that over the long term, share price increases will tend to converge with corporate earnings growth. The team also searches for high earnings visibility as well as companies operating in sectors with strong barriers to entry, pricing power and companies providing 'mission critical' products or services such as essential productivity-enhancing software.

Justin Streeter, co-portfolio manager of the Comgest Growth America fund said:

"We believe the stability of our US dedicated investment team in place since 2009, combined with our long-term investment horizon, has been key in delivering strong returns.

"There has been a lot of discussion about how the performance of the US market has been driven by just seven companies. Our fund goes some way to prove that there is life in the US stock market outside of the Magnificent Seven, if you know where to look.

"We own 5 of the Magnificent Seven stocks, but when we look at the last three years, the contribution to the performance of these stocks is lower for our fund than the index, and yet we have managed to do better than the S&P 500. This is thanks to other strong companies that we have

¹ Volatility since inception (16-May-2000): 16.1% vs 17.7% for the Index. Source: Comgest / FactSet financial data and analytics, unless otherwise stated. Data as of 31-Jan-2024 for the USD Acc share class. Volatility is calculated on a weekly basis. Index: S&P 500 – Net Return.

² Period: 8-Feb-2013 to 31-Jan-2024.

³ Source: Morningstar, Comgest. Net performance data expressed in USD as of 31-Jan-2024.

Morningstar categories: EAA FUND US large-cap growth (which is the Comgest Growth America fund's Morningstar category), EAA FUND US large-cap value and EAA FUND US large-cap blend. Sharpe ratio is the ranking of the metric annualised return divided by annualised volatility.

invested in, such as label maker Avery Dennison, intermodal transport specialist J.B. Hunt and tax software provider Intuit.”

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Comgest S.A. is a portfolio management company regulated by the Autorité des Marchés Financiers (AMF) whose registered office is at 17, square Edouard VII, 75009 Paris, France.

Comgest Asset Management International Limited is an investment firm regulated by the Central Bank of Ireland and registered as an Investment Adviser with the U.S. Securities Exchange Commission. Its registered office is at 46 St. Stephen's Green, Dublin 2, Ireland.

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About Comgest:

Comgest, a global asset management group with a single focus on equities, is 100%-owned by employees and founders. This broad partnership – of over 35 years – drives an unconstrained, quality growth and responsible investment approach that is applied to both developed and emerging markets. With headquarters in Paris and offices across Europe, Asia-Pacific and North America, Comgest serves investors around the world who share our long-term investment horizon. With more than 200 employees of 30 different nationalities, Comgest serves a diverse global client base and manages assets of over €29.2 (USD 32.3) billion (data as of 31 December 2023).